

PREFERRED ALTERNATIVE CRITICAL ISSUES

There are literally hundreds of actions, programs and policies which must come together to form a preferred alternative that will meet the CALFED goals and objectives and comply with solution principles. While each piece is important, there are a number of critical issues or elements which have a significant impact on the balance of the package or supportability by stakeholder groups.

These issues listed below vary from the structure of specific actions to policy declarations.

1. **"Everybody Gets Better Together"**

Currently the CALFED framework document contains the provision "Stage I must result in improvement for all Program areas for the Bay-Delta system." This is intended to convey the basic policy that Stage I must result in tangible improvements in water quality, levee integrity, ecosystem health and water supply reliability. A specific aspect of this is a concept of water supply projects with shared yield (and, therefore, shared financial responsibility).

2. **No Uncompensated Reduction in Water Supply**

This basic policy issue has most recently been stated in terms of "no dip" in Stage I. The reason this has become a critical issue is that the actions being considered in order to provide ESA assurances have a significant impact on water supplies.

Implementing a policy of no dip requires dealing with two associated issues:

- a. What baseline will be used to judge policy implementation.
- b. Sharing water supply benefits (and financing responsibility).

3. **Drinking Water Quality Improvements**

Because of the staging of the isolated facility decision and its significance to export water quality, the urban stakeholders are insisting:

- a. There must be water quality improvements during Stage I.
- b. Specific water quality criteria be developed for the subsequent consideration of the isolated facility and that it be made clear who will make that judgment.

Item 2b must be crafted in a way that it is fair from both an urban and Delta perspective.

4. **Surface Water Storage**

Within CALFED agencies there is now an agreement that storage should be pursued at the beginning of Stage I with all other activities (especially conservation, reclamation, transfers, etc.). Where the disagreement still exists is whether the act of getting the final permit to construct storage is conditioned on progress in those other areas. The current

CALFED draft establishes the basic requirement of a 404 permit as the conditional linkage for storage. There is some thought that the basic issue of storage conditions can be handled through "bundling" storage, conservation, and reclamation actions in Stage I.

Resolution of this linkage issue will also implicate the following:

- a. The necessity of a programmatic 404 permit so that storage will not have to be rejustified at the project level.
- b. A clear commitment to aggressively implement the common programs.
- c. More specific financing principles which will apply to storage projects if they proceed to construction.
- d. More complete description of storage actions to be completed in Stage I.

5. **ESA and 404 Assurances**

The package must include certainty from a number of regulatory perspectives, but particularly ESA and 404 (more than just surface storage). It is clear the CALFED Program will need more than the "normal" process and, as such, will require high level policy involvement.

6. **Policy Declarations**

There are a number of policy declarations that may not seem to be "critical" issues, but if not included in a preferred alternative, will likely result in losing stakeholder groups.

- a. Existing landowner rights will be protected.
- b. Existing water rights (especially area of origin) will be protected.
- c. Land acquisition will generally follow a priority of public lands first, private land easements second, and private land fee acquisition third.
- d. Beneficiaries pay.
- e. Get better together.
- f. Development of an agriculture mitigation policy.

7. **Stage I Detail**

Stakeholders must see sufficient detail in the Stage I action to have confidence and ownership. Grouping these actions into "bundles" will provide some additional assurance of achieving the get better together policy.

8. **Finance/Assurance**

These are critical issues especially related to basic policy declaration, however, generally seen as needed to follow the basic structure of the other elements of the preferred alternative.